26 APR 1978

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting at the White House with the President, Senator Bayh, and Senator Huddleston on the Question of Charter Legislation, 26 April 1978

- 1. Senator Bayh made the point that the Committee had put the most restrictive language into the draft legislation on the grounds that it could be worked back out during discussion. He did say that they had already compromised wherever the Community had made a good argument. They had accepted our view but where our arguments were not convincing they had left the more restrictive language in. The President took exception to this "most restrictive" procedure on the grounds that it generated an adversarial relationship and put the Administration in a defensive posture. Senator Bayh indicated that was not what he intended. There was obviously a strong feeling on both his and Huddleston's part that they had already conceded a great deal. I mentioned to them in private discussion afterwards that we really were pretty busy concentrating on the Executive Order at the period when we were also commenting on their urgent draft, hence we probably didn't do as good a job as possible.
 - 2. The President said he'd like to proceed in three phases:
 - a. Staff analysis of the draft document. He stressed here and several other times that he was very surprised at the degree of detail in the draft document.
 - b. Presentation of an analysis of key points to the President.
 - c. The President signing off on the principles which would be used by our negotiators in dealing with the Committee. He clearly ruled out any idea of anyone being designated to negotiate now on a combined Congressional/Executive working group.

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- 3. The President later suggested that we start by trying to run through this three-phase process for Titles IV, V and VI (later amended by Harold Brown to be III, IV, V and VI); that we then proceed to the organizational matters in Title I; and that finally we take up the most difficult issue of Title II.
- 4. The President made a number of comments about the difficulties if you get too locked in to detailed wording. He pointed out the problems he had had in one minor covert action propaganda program which took him six months to get started because of various legal impediments and interpretations.
- 5. Finally, the President indicated that he thought by the middle of May we could be ready to proceed on the charters for the individual agencies.
- 6. For OGC: I think we need to come up on our own and soon with a list of what will be the specific principles under each Title that perhaps should go to the President either for resolution because there will be differences within the Executive Branch or because we will be taking important exception with the draft legislation. I do not mean vast detail but the broad areas. For instance, under the 68 reporting items I would like to see if we could characterize that into one or two items with different kinds of reporting, some of which we object to and some of which we accept. In short, we should end up with Presidential approval of a principle in reporting, leaving the detailed decisions on which reports fall under which principle to lower level discussions. We are never going to get through to the SCC/Presidential review if we don't do some boiling down so that the working groups have guidance and need come back to the SCC only in those instances when there's genuine difference of opinion on interpretation of the guidance for a specific sentence in the draft bill.

 STANSFIELD TURNER Director